

# **OPENING REMARKS AT US-AFRICA WTO FORUM**

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**Washington, D.C.**

**May 3, 2000**

Good morning, friends and honored guests. I am proud and pleased to welcome you to Washington for this US-Africa WTO Forum. Let me begin by recognizing each of our honored guests:

Deputy Prime Minister Moses Ali of Uganda; the Trade Ministers of Gabon, Ghana, Kenya, Lesotho, Mali, Nigeria, Tanzania and Zambia; and the Ambassadors of these nations. Let me also recognize the distinguished representatives of five African regional economic organizations: the Central African Economic and Monetary Community; the Common Market for Eastern and Southern Africa; the Economic Community of West African States; the Southern African Development Community; and the West African Economic and Monetary Union.

Let me also welcome and thank National Economic Council Director Gene Sperling and Acting USAID Administrator Babbitt, for joining us at this event.

We are meeting, as Ambassador Barshefsky noted, at a very auspicious moment. With the House and Senate now agreeing upon the terms of the African Growth and Opportunity Act, we are beginning this new decade of economic partnership across the Atlantic on the most promising terms imaginable. And this conference will bring us much further, as we focus on the ways in which increased African participation and increased US-African cooperation at the World Trade Organization can strengthen our relationship and produce the growing trade and investment Africa needs.

Let me begin today, however, with some thoughts on the broader context: the goals of the trade policies we have developed together; the state of the US-African trade relationship today; and the role of both our domestic initiatives and the WTO in helping us reach the goals we share.

## **WORKING TOGETHER: US-AFRICAN TRADE POLICY**

We are meeting at a moment of great promise. In Africa, it is a time of economic reform and democratic transition. In the United States, it is a moment of greater interest and attention to our relationship with Africa than ever before. And the African guests I just introduced have helped us to design and to realize a set of trade and economic policies through which we are making this promise real.

To review the major achievements of the recent past:

- We have completed a set of bilateral agreements that spur trade and investment, creating opportunities for working people, farmers and entrepreneurs on both sides of the Atlantic, including our Trade and Investment Framework Agreements with Ghana, Nigeria and South Africa; and our Bilateral Investment Treaty with Mozambique.
- We have worked toward a U.S. market more fully open to our African trading partners, through our expansion of duty-free preferences for least developed countries by 1,700 tariff lines two years ago, and the imminent completion of the African Growth and Opportunity Act.
- As Acting Administrator Babbitt will note, we have rethought and improved many of our assistance programs to help Africans gain access to the modern technological marketplace, through initiatives like the Leland Program with its support for Africa's access to the Internet and electronic commerce.
- And we have made substantial progress towards Africa's full integration into the WTO. This has included technical assistance forums in Africa, promoting more active engagement by our African trade partners in WTO activities, and joint development of proposals and ideas; and encouragement for increased African participation in the most recent WTO agreements, where especially important steps include the decisions by Uganda and Ghana to participate in the Basic Telecommunications Agreement, and by Cote d'Ivoire to join the Financial Services Agreement.

These policy initiatives are most likely to bear fruit if governments organize themselves and their private sectors to take advantage of them. Exporters need to be aware of the new opportunities in the African Growth and Opportunity Act, and trained on how to take advantage of them. Foreign and domestic investors need to understand that binding commitments in the WTO in telecommunications and financial services means these sectors are more attractive. Our governments can work together to ensure that the TIFAs and Bilateral Investment Treaties resolve problems quickly and encourage trade and investment to grow.

### **THE US-AFRICAN TRADE RELATIONSHIP TODAY**

Over the next few days, we hope our presentations and exchanges will provide concrete examples of ways to strengthen trade policy formulation in each of your countries to achieve the objectives we share. And in this work, we are building on a foundation of success: when we turn from the world of policy and negotiations to the practical realities of trade and investment, we see that the US-African trade relationship is broader, more diversified and more productive than ever before.

If one sets aside the more volatile oil and precious metal sectors, African exports to the

U.S. have climbed by nearly \$1 billion since the beginning of the President's Partnership Initiative. Africa's exports of machinery and apparel, sectors of special importance for job growth in Africa, have doubled. And the gains have been spread out over the continent -- to look at a few of the countries represented here today, Mali's exports to the U.S. have grown 50%; Lesotho's apparel exports still more rapidly, and Tanzania's exports have nearly tripled.

The United States has also developed important export markets in Africa, notably for high-tech products as civil aircraft, computers and scientific equipment. This means both an important source of job creation and opportunity for Americans, and technology transfers that help spark development in Africa. And American investment in Africa has grown from \$6.8 billion in 1996 to over \$13 billion.

But when we look closely, we also see areas in which we can do better. Last February -- the most recent month for which trade figures are available -- we imported \$1.6 billion in goods from Africa. This is one of the largest monthly import totals from Africa ever recorded, meaning well over \$50 million worth of goods crossing the Atlantic every day. But while these are impressive figures, they also show areas in which we can do better.

Despite the growth in Africa's manufactured and agricultural exports, most of our imports from Africa remain concentrated in natural resources. To be precise, in February nearly 80% of our in imports came in three commodities: 3.9 million barrels of oil, 9 million grams of platinum, and 725,000 carats of diamonds.

This makes for a glamorous sort of trade relationship. But it also shows that Africa's farmers and manufacturers still have untapped trade opportunities in the United States; and that African economies remain overly vulnerable to swings in commodity prices. And likewise, America's export growth to Africa has been slow compared to some other major export markets.

## **AFRICAN GROWTH AND OPPORTUNITY ACT**

So while we can be pleased with the results of our work thus far, we cannot yet be satisfied. Each part of our trade relationship can be strengthened, helping us find new areas of mutual benefit, promote development and social justice, and build upon our achievements to this point. And the coming year offers us some substantial opportunities.

Most immediately, of course, is the completion of work on the African Opportunity and Growth Act. This has been a long time coming -- if it was an Olympic athlete it would be more like an East African marathon champion than an American sprinter. But we have good friends in Congress -- Congressman Rangel, Representatives Crane and McDermott, Senator Lugar, Senator Roth and Senator Moynihan -- who have helped the President bring the bill very close to the finish line. And the support your governments have given to the legislation -- and as part of this, the decisive contribution of the African diplomatic corps in Washington -- has been of fundamental importance.

The Act strengthens and codifies each part of our African economic policy. It will help Africa diversify its exports to the United States, by opening up opportunities in apparel through quota-free guarantees and creating new duty-free preferences under the GSP. It will help us to link trade policies with debt relief and a regular trade dialogue. And it will help us build the foundation for the work which is the topic of our meeting today: Africa's full integration into the World Trade Organization.

## **SHARED INTERESTS AT THE WTO**

The WTO is the central forum in which each of us -- as well as our European, Latin and Asian trading partners -- find our most significant opportunities to develop open markets in the products most important to our industries, and to assert our rights when disputes arise. And in the WTO, we and Africa have shared interests of central importance.

- Open trade in agriculture can relieve African farmers of the burden imposed by protectionism and export subsidies, while helping to ensure that African families have reliable supplies of food at good prices.
- More open markets in services will help African countries acquire the expertise and legal, financial, transport, information and telecommunications infrastructure that will spur more rapid and stable development in the next century.
- And a strong negotiating agenda for industrial goods, trade facilitation, and electronic commerce -- in particular, guarantees that tariffs will not be imposed on electronic transmissions over the Internet -- will be especially important to African development.

## **WTO INITIATIVES**

Africa's full integration into the trading system, therefore, will help both to ensure that Africa makes the most of its opportunities for growth and development; and to realize goals and aspirations that we share. Here we have two special priorities for the coming year.

### **1. Market Access for Least-developed Countries**

First, we can work together to open markets in fields of special importance for Africa, and for the world's least developed countries generally.

Most immediately, the WTO agreed in February to open negotiations on agriculture and services. In the months ahead, the agricultural negotiations will begin discussing issues of particular importance to Africa, including export subsidies, market access, and technological advance in agriculture. These discussions are laying the foundation for broad agricultural trade reform in the coming years, and I hope to work very closely with you as they proceed.

We also can do more in other areas, such as manufacturing and trade facilitation. We are therefore working to build consensus for a new, more broadly based Round that would include such issues. This is of course not a simple task; and if it is to succeed, all WTO members will need to be flexible and willing to rethink their negotiating positions. But as the President has said, we will keep working toward consensus and expect our trading partners to do the same. Any Round agenda must accommodate African goals, and over the next three days I would like to hear your advice and ideas on the best way forward.

In the interim, we support expansion of preference programs for developing countries. Our own work on the African Growth and Opportunity Act is an example; another of particular interest is the new EU-ACP Partnership Agreement, announced as a successor to the Lome program. Such programs, however, require waivers of WTO provisions requiring MFN treatment for all WTO members. In general we believe such waivers are appropriate. Thus we will support an appropriate waiver for the Partnership Agreement, as long as it is limited to preferences and does not erode basic principles like respect for dispute settlement proceedings.

## **2. Capacity-Building and Technical Assistance Initiative**

That brings me to the second point -- the measures necessary to make sure Africans have the capacity to assert their rights and interests in the system, including dispute settlement, negotiations and the day-to-day work of the WTO.

In the next two days we will share with you our experience in building a framework for trade policy that can help you achieve some of the principal goals Africans have set: to open and keep open foreign markets for your exports; to comply with WTO obligations; and to ensure that the work of regional trade organizations in Africa complements fully the work of the WTO.

Last year we joined with Lesotho, Nigeria, Senegal and Zambia, as well as Bangladesh, to introduce a proposal to improve the technical assistance and capacity-building programs available from the WTO and other international institutions. This can serve as a starting point, and I will welcome further ideas over the next three days. In addition, we will be holding more WTO workshops and sessions, whenever possible in Africa, to offer advice and assistance on the WTO and WTO commitments, as well as our own market access programs, GSP regulations and phytosanitary rules and other topics. This will help to make sure that African governments, businesses and academics are familiar with and can take advantage of all the options the WTO offers to Africa.

For example, I am pleased to announce today that we will commit \$1.75 million in technical assistance to help sub-Saharan African countries comply with the Customs Valuation Agreement and improve their customs procedures. These are areas in which WTO commitments are just now coming into force: their implementation will mean more efficient trade, and thus better prices and more reliable supplies for businesses and consumers.

Together with this will be \$400,000 to fund two three-week WTO courses in sub-Saharan Africa, and provide several scholarships for a longer training session in Geneva. These will address WTO issues generally, but focus especially on dispute settlement – thus enabling African governments to better assert their rights and interests in such issues as protecting African authors, musicians and film-makers against intellectual property piracy overseas, ensuring that African agricultural exports do not encounter unfair discrimination, and so on.

## CONCLUSION

These will be our topics in the coming three days. We have a comprehensive program covering dispute settlement; trade remedy laws; market access, including services and agriculture as well as goods; interaction with the international financial institutes, customs valuation, and other issues. I believe it will make a substantial contribution to the ability of each government here to take advantage of the opportunities offered by the WTO, and I look forward to our exchanges very much.

Together, these will help make world markets more open to African products, and ensure that the work of the WTO addresses African priorities as fully as possible. This in turn will mean new opportunities for Africa's farmers, working people and businesses; stronger guarantees of fairness; and the prospect of more rapid and sustainable growth and development. And thus we will move toward the larger goal, which President Clinton, Ambassador Barshefsky, and the Administration as a whole have pursued since taking office in 1993: of a strong and durable US-African economic partnership in this new century.

These issues are by no means simple; but we should proceed with confidence and optimism as we remember how far we have already come.

In the past five years, Americans and Africans have built a network of agreements, commercial relationships and shared benefit unprecedented in our history.

We have shared ideas on policy and learned from one another's experience.

We have found common ground on some of the most profound issues facing the world today – and in doing so have helped to improve life for farmers, for working people, for families on both sides of the Atlantic.

In the next three days, we can go still further. Once again, let me welcome each of you to Washington; and let me now turn to Secretary Glickman.